



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

0002

April 30, 2009

CERTIFIED RETURN RECEIPT  
7003 2260 0002 0247 8058

Marc E. Fleischman  
Harborlite Corporation  
P. O. Box 287  
La Grande, Oregon 97850

Subject: Notice of Cancellation/Termination of Reclamation Surety Bond Number World  
Minerals, Black Springs Mine, S/027/0089, Millard County, Utah

Dear Mr. Fleischman:

Please review the enclosed Notice of Cancellation from the Lexon Insurance Company indicating the surety bond in the amount of \$17,000.00 is being cancelled in accordance to the provisions of the bond. According to the terms of the surety bond, the insurance company may elect not to renew as long as a ninety (90) day notice is given to the Division. These terms have been met; therefore, effective July 27, 2009, the surety bond will be cancelled. Paragraph 2 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before June 27, 2009 or the Division will be forced to do any/some of the following:

- Carry out the terms of surety bond number
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov). Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

Paul Baker  
Minerals Program Manager

PBB:pb

Cc: [jblake@utah.gov](mailto:jblake@utah.gov)

Jessica Sturges, Lexon Insurance Company  
O:\M027-Millard\S0270089-BlackSprings-ML41981\draft\bond-cancel-ltr04292009.doc



0002

# Lexon INSURANCE COMPANY

1919 S. Highland Ave., Bldg. A, Ste. 300, Lombard, IL 60148 (630) 495-9380 DIV. OF OIL, GAS & MINING

RECEIVED

APR 28 2009

## Notice of Cancellation

Date April 24, 2009

Bond No. \_\_\_\_\_

TO: Utah Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 W. North Temple, Suite 1210  
Salt Lake City, UT 84114

WHEREAS, on or about the 20<sup>th</sup> day of April 20 05 the LEXON INSURANCE COMPANY, as Surety, executed its Surety Bond in the penalty of Seventeen Thousand and 00/100 Dollars (\$\*\*17,000.00\*\*), on behalf of Harborlite Corporation of 130 Castillian Drive, Goleta, CA 93117 as Principal, in favor of Addressee as Obligee, and

WHEREAS, said bond, by its terms, provides that the said Surety shall have the right to terminate its surety ship there under by serving notice of its election so to do upon the said Obligee, and terminate its liability in accordance with the provisions thereof.

NOW, THEREFORE, be it known that the LEXON INSURANCE COMPANY, shall, at the expiration of 90 days after receipt of this notice, consider itself released from all liability by reason of any default committed thereafter by the said Principal.

Signed and sealed this 24<sup>th</sup> day of April, 20 09.

LEXON INSURANCE COMPANY

By Jessica Sturges  
Jessica Sturges

cc: Scheer's West, Inc.  
3283 E. Warm Springs Road, Suite 200  
Las Vegas, NV 89120

## Acknowledgement

Return to:

LEXON INSURANCE COMPANY  
1919 S. Highland Ave., Bldg. A, Ste. 300  
Lombard, IL 60148

Bond No. \_\_\_\_\_

Your Notice of Cancellation as set forth above received. We have arranged to cancel said bond effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Date \_\_\_\_\_

By \_\_\_\_\_